



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

September 27, 2012

MICHAEL F. CHILDERS, TREASURER
DEMOCRATIC PARTY OF WISCONSIN
110 KING ST STE 203
MADISON, WI 53703

Response Due Date
11/01/2012

IDENTIFICATION NUMBER: C00019331

REFERENCE: JUNE MONTHLY REPORT (05/01/2012 - 05/31/2012)

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **Failure to adequately respond by the response date noted above could result in an audit or enforcement action.** Additional information is needed for the following **15** item(s):

1. The beginning cash balance of this report does not equal the ending balance of your Amended May Monthly Report (4/1/12 - 4/30/12), received 9/25/12. Please correct this discrepancy and amend all subsequent reports(s) that may be affected by the correction. (2 U.S.C. § 434)(b)(1))
2. The totals listed on Line(s) 7, 11(a)(i), 11(a)(ii), 11(a)(iii), 11(c), 11(d), 17, 21(a)(i), 21(a)(ii), 21(c), 31 and 32, Column B of the Summary and Detailed Summary Page(s) appear to be incorrect. Column B figures for the Summary and Detailed Summary Pages should equal the sum of the Column B figures on your previous report and the Column A figures on this report. Please file an amendment to your report to correct the Column B discrepancies for this report and all subsequent report(s) which may be affected by this correction. Note that Column B should reflect only the Calendar Year-to-Date totals. (2 U.S.C. § 434)(b))
3. Your calculations for Line 8 appear to be incorrect. Cash on hand at the close of the current reporting period should always equal the closing calendar year to date cash on hand amount. Please provide the corrected total on the Summary Page. (2 U.S.C. § 434)(b))
4. Your calculations for Line(s) 11(a)(iii), Column B appear to be incorrect. Please provide the correct totals on the Detailed Summary Page. (2 U.S.C. § 434)(b)(7))

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5. Schedule A of your report discloses aggregate year-to-date total(s) for some contribution(s) (see attached) which appear to be incorrect. Please amend your report to provide the correct aggregate year-to-date totals. Please note that this problem frequently occurs when the contributor name is entered in the committee's electronic reporting database more than once using a different spelling and/or format. This prevents the database from properly aggregating contributions from the same individual or entity. Ensuring that the name of each contributor is entered into the database only once would help avoid year-to-date errors. When reporting contributions from political action committees, using the contributor's FEC identification number will help prevent duplicate entries. (11 CFR § 104.3(a)(2))

6. Commission Regulations require that a committee discloses the identification of all individuals who contribute in excess of \$200 in a calendar year. (11 CFR § 104.3(a)(4)(i)) Identification for an individual is defined as the full name (**initials for first or last name are not acceptable**), complete mailing address, occupation, and name of employer. (11 CFR § 100.12) Your report discloses contributions from individuals for which the identification is not complete.

The attached employer and occupation entries appear on your report and are not considered acceptable.

You must provide the missing information, or if you are unable to do so, you must demonstrate that "best efforts" have been used to obtain the information. To establish "best efforts," you must provide the Commission with a detailed description of your procedures for requesting the information. Establishing "best efforts" is a three-fold process.

First, your original solicitation must include a clear and conspicuous request for the contributor information and must inform the contributor of the requirements of federal law for the reporting of such information. (11 CFR § 104.7(b)(1)) See 11 CFR § 104.7(b)(1)(B) for examples of acceptable statements regarding the requirements of federal law.

Second, if the information is not provided, you must make one follow-up, stand alone effort to obtain this information, regardless of whether the contribution(s) was solicited or not. This effort must occur no later than 30 days after receipt of the contribution and may be in the form of a written request or an oral request documented in writing. (11 CFR § 104.7(b)(2)) The requests must:

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- clearly ask for the missing information, without soliciting a contribution,
- inform the contributor of the requirements of federal law for the reporting of such information, and
- if the request is written, include a pre-addressed post card or return envelope.

Third, if you receive contributor information after the contribution(s) has been reported, you should either a) file with your next regularly scheduled report, an amended memo Schedule A listing all the contributions for which additional information was received; or b) file on or before your next regularly scheduled reporting date, amendments to the report(s) originally disclosing the contribution(s). (11 CFR § 104.7(b)(4))

Please amend your report to provide the missing information or a detailed description of your procedures for requesting the information. For more information on demonstrating "best efforts," please refer to the Campaign Guide.

7. Schedule A supporting Line 11(b) discloses a transfer(s)-in from "Democratic National Committee" and "Democratic Senatorial Campaign Committee." Schedule B supporting Line 21(b) reflects payments for "Printed materials - volunteer exempt." Please be advised that a state or local party committee may pay for campaign materials (such as pins, posters, bumper stickers and yard signs) that are distributed by volunteers in connection with activity on behalf of the party's nominees in a general election and for voter drive activity conducted on behalf of the party's Presidential and Vice Presidential nominees. Payments for this type of activity are exempt from the definition of a contribution or expenditure if certain conditions are met. The conditions are that no public advertising may be used, including distribution by direct mail (mailings by a commercial vendor or from commercial lists); all funds used for the activity must be permitted under the Act; none of the funds used may have been designated for a particular candidate; and finally, payments for the activity may not be made from transfers-in from the national committee to specifically fund the activity. For further guidance, please refer to 11 CFR §§100.87 and 100.147 and to the Campaign Guide for Party Committees.

If the activity disclosed on your report does not meet the definition of "exempt" activity as described above and if any portion of the expenditures were made on behalf of specifically identified candidates, that amount must be disclosed on Schedule B, E or F supporting Line 23, 24 or 25 of the Detailed Summary Page as appropriate. Please amend your report or provide clarifying

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information.

8. Please amend your report by providing the address for each disbursement itemized on Schedule(s) B supporting Line(s) 21(b). (11 CFR §§104.3(a)(4) and 104.10(4))

9. Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule(s) B of your report to clarify the following description(s): "Consulting," "Political Consulting," "Promotional Materials," and "Reimbursement- see memo." For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

10. Schedule H4 supporting Line 21(a) of your report discloses \$500.00 in payments for "Rally" to individuals. Please your report to clarify this description. For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

11. Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "federal unemployment," "FICA Match," "Health Insurance Reimbursement," "Insurance," "payroll- see memo," "Salary," "Wisconsin Unemployment" and "wi unemployment." Please be advised that pursuant to 11 CFR §300.33(c)(2), salaries and wages for employees who spend more than 25% of their compensated time in a given month on Federal Election Activity (FEA) or activities in connection with a Federal election must not be allocated between or among federal and non-federal accounts. Rather, only federal funds may be used. Further, the Commission concluded in Advisory Opinion 2003-11 that amounts spent for employee-specific "fringe benefits," consisting of health insurance, disability insurance, life insurance, retirement benefits and payroll taxes, fall into the category of compensated time.

Please clarify whether this activity is for employees who spent 25% or less of their time during the month(s) referenced above on FEA or activities in connection with a Federal election. If this is not the case, any reimbursement from your committee's non-federal account for this payment is not permissible and must be returned. Although the Commission may take further legal action regarding any improper allocation activity, your prompt action will be taken into consideration.

12. Schedule H4 of your report discloses \$6400.00 in payments for "Consulting" to individuals. Please clarify whether these individuals are employees of your committee. If they are employees, please clarify whether

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this activity is for employees who spent 25% or less of their time during the month(s) referenced above on Federal Election Activity (FEA) or activities in connection with a Federal election. You are advised that pursuant to 11 CFR §300.33(c)(2), salaries and wages for employees who spend more than 25% of their compensated time in a given month on FEA or activities in connection with a Federal election must not be allocated between or among federal, non-federal and Levin accounts. Rather, only federal funds may be used.

Any reimbursement from your committee's non-federal or Levin account for salary and wage payments for employees who spent more than 25% of their compensated time in a given month on FEA is not permissible and must be returned. Please provide clarification regarding these payments.

13. Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "Advertising" and "Robocalls." Please be advised that pursuant to 11 CFR §300.33(c)(1), expenditures for public communications (as defined by 11 CFR §100.26) that refer to a clearly identified candidate for Federal office and that promote, support, attack or oppose any such candidate for Federal office must not be allocated between or among federal and non-federal accounts. Only federal funds may be used.

Further, expenditures and disbursements for public communications that refer to a clearly identified candidate for Federal office and that promote, support, attack or oppose any candidate for Federal office, meet the definition of Federal Election Activity under 11 CFR §100.24 and should be disclosed on Schedule B for Line 30(b) along with the identity of the candidate(s). However, public communications that meet the definition of Federal Election Activity and that also contain express advocacy as defined under 11 CFR §100.22, but do not meet the conditions of exempt activity, would constitute an in-kind contribution, an independent expenditure or a coordinated party expenditure and should be properly disclosed on a Schedule B, E or F supporting Lines 23, 24 or 25, as appropriate, rather than on Schedule B for Line 30(b). Please amend your report to properly disclose this activity or provide clarifying information.

If this activity was categorized incorrectly, the Commission recommends that you immediately transfer the funds received by your federal account for this activity back to the non-federal account. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

14. Schedule H4 of your report discloses a payment(s) for "List Purchase,"

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"Voter file consulting" and "Booth Rental." Please be advised that 11 CFR §100.24(b) defines as Federal Election Activity, Voter identification, Generic Campaign and Get-out-the vote activities conducted in connection with an election in which one or more candidates for Federal office appear on the ballot. Furthermore, the costs for these types of Federal Election Activity must either be paid with federal funds or can be allocated between federal and Levin funds as long as the activity conducted does not refer to a clearly identified candidate for Federal office. It appears that you have allocated these costs between federal and non-federal funds. Any reimbursement from your committee's non-federal account for Federal Election Activity costs is not permissible and must be returned. (11 CFR §§300.32 and 300.33)

Please inform the Commission of your corrective action immediately or provide clarifying information regarding this activity. Although the Commission may take further legal action regarding this apparent prohibited activity, your prompt action will be taken into consideration.

15. Schedule H4 of your report discloses a payment(s) for "Intern Stipend." Please be advised that a political committee may maintain a petty cash fund out of which it may make expenditures not in excess of \$100 to any person per purchase or transaction. (11 CFR §102.11) However, if this expenditure(s) represents an apparent reimbursement(s) to an individual(s) for apparent travel and subsistence advances in which the total amount reimbursed exceeds \$500, there are additional reporting requirements. Please provide clarifying information regarding this activity and amend your report to include any missing information as noted below.

When the reimbursement amount to staff for travel and subsistence advances exceeds \$500, the payments by committee staff that make up the reimbursement have to be itemized as memo entries regardless of the amount. Each memo entry must include the complete name and address of the original vendor, as well as the date, amount and an adequate purpose. Schedule H4 should clearly identify which reimbursement each memo entry relates to. (11 CFR §§104.10 and 104.17, and Advisory Opinion 1996-20, footnote 3)

- Schedule B supporting Line 21(b) of your report discloses a payment(s) for "On-Line Voter File Access" which appears to be disclosed on the wrong line of the Detailed Summary Page. For your information and consideration when preparing future filings, please be advised that Voter Identification, Generic Campaign and Get-out-the-vote activity conducted in connection with an election in which one or more candidates for Federal office appear on the ballot is considered to be Federal Election Activity and should be disclosed on

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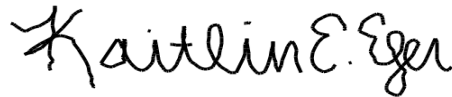
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Schedule B for Line 30(b) of the Detailed Summary Page. (11 CFR §100.24)
For your next filing, please refer to the instructions for each line when determining the proper categorization(s).

Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses must be received by the Commission on or before the due date noted above to be taken into consideration in determining whether audit action will be initiated. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action. **Requests for extensions of time in which to respond will not be considered.**

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1143.

Sincerely,



Kaitlin Eger
Senior Campaign Finance Analyst
Reports Analysis Division

Aggregate Year-to-Date Total(s) Calculated Incorrectly
Democratic Party of Wisconsin (C00019331)

Contributor Name	Date	Amount	Reported YTD Total	YTD Total Calculated by FEC
Wall for Congress	5/1/12	\$125.00	-\$4,532.86	\$125.00

Employer	Occupation
Already Mailed	Already Mailed
Information Requested	Attorney
Information Requested	Carpenter
Information Requested	Information Requested
IBT	Consultant
Information Requested	Lab Tech
Information Requested	President
Information Requested	Shipbroker
Information Requested	Teacher
ISG	Vice President
N/A	N/A
n/a	social worker
none	educator
None	Meteorologist
none	NA
none	none
none	patient
None	Sales
none	self
none	Self Employed
None	Writer
None (both)	None (both)
Self	Board member
self	manager
Self	Self
self	selfiemployed
Self-employed	Self-employed
TOG	President
various	Contract attorney